

E.C. 7/24/57

9. a. As a basic assignment Working Group I will be responsible for the continuous review of the multilateral control system and for recommending to the Executive Committee adjustments therein to take account of changing conditions (including proposals by other PC's) and to maintain an effective control system.

b. (1) In light of the de facto changes which have recently occurred in the multilateral controls toward Communist China, the necessity of adjusting past strategic evaluations and approaches to address them to the Sino-Soviet bloc as a single <sup>entity</sup> ~~unit~~ reflecting the marked disparity of industrial and military development between the principal European Soviet bloc countries and Communist China, and the expected challenge to the continuance of the current International Lists and current control concepts from a number of the PC's, the Executive Committee will undertake promptly a full review of the entire Sino-Soviet strategic situation.

(2) The objectives of this review will be the following:

(a) To analyse the strategic dependence (long and short term) of the Sino-Soviet bloc on free world resources (raw materials, processed materials, equipment, technology and services) and therefrom to develop a control program which supports Free World security, which can be justified before the CC structure and bilaterally with non-CC governments and which possesses sufficient demonstrable strategic impact on the Sino-Soviet bloc objectives, plans and actions to warrant the requisite interference with international trade and the resulting commercial sacrifices;

(b) To formulate such a control program in the manner best fitted for continued support by the U.S. in the multilateral forum.

(3) As a result of this review the Executive Committee will recommend, as a package

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- (a) The best approach for the U.S. in revising multilateral controls and rationale for the approach selected;
- (b) The selected <sup>trade controls</sup> fields to be proposed multilaterally for ~~trade controls~~ and the justification therefor; and
- (c) The control system to be used and the procedures to be applied in achieving effective implementation of the controls.

These recommendations will be presented by the Executive Committee to EDAC not later than October 7.

(4) Working Group I will be instructed to develop studies of the following types on which the Executive Committee will base its review:

- (a) Commodity and technology area studies
  - i. Metal-working equipment and technology;
  - ii. Metal forming equipment and technology;
  - iii. Electrical generating and transmission equipment including prime movers and motors;
  - iv. Chemical equipment - plant, equipment, technology;
  - v. Raw chemical source materials, processed chemicals and plastics;
  - vi. Ships, vehicles and railways;
  - vii. Ferrous and non-ferrous minerals, semi-fabricated and fabricated products, extraction and processing equipment and technology;
  - viii. Electronics and communication equipment and technology;
  - ix. Petroleum and petroleum products.

These studies should be as up-to-date as possible, should be addressed to the Sino-Soviet bloc as a single entity but, wherever feasible, contain a breakdown showing relevant data separately for the USSR, Poland, <sup>other</sup> Eastern European satellites ~~other than Poland~~ <sup>and</sup> Communist China. These studies

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should reflect the coverage of the current international lists and such other coverage as is relevant. Supply and requirements data should be provided wherever possible in as great detail as available information and time permit. Actual or anticipated end-use patterns within the Sino-Soviet bloc should be set forth.

(b) Special interest studies:

- i. Sino-Soviet bloc aircraft, rocket and missile deficiencies, in raw and processed materials, production equipment, communication and control equipment and testing equipment. Coverage should not reflect items appearing on Munitions List. Coverage should reflect long-term anticipated advances in the field.
- ii. Sino-Soviet bloc atomic energy program deficiencies in materials, equipment and technology not covered by the Atomic Energy List. Materials such as shielding and chemical requirements should be included.
- iii. Sino-Soviet bloc deficiencies in fuels and related materials for aircraft, rockets and missiles; raw and processed materials, production and handling equipment and technology should be included.
- iv. Sino-Soviet bloc deficiencies for conduct of Thermo-nuclear warfare -- as narrowly defined and as broadly defined.

Both groups of the above studies should be presented to the Executive Committee as completed and not later than September 1.

Reform and information classified above SECRET should be separately identified.

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(5) The Atomic Energy Commission ~~will be requested to review and~~ *has been is reviewing and updating*  
~~up-date the International Atomic Energy List and to submit its recommendations~~ *will*  
~~to the Executive Committee no later than September 20.~~ *W G I by August 15*

(6) The Department of State ~~will be requested to update the International~~ *+ Defense are now reviewing*  
~~Munitions List and present~~ *will* ~~recommendations to the Executive Committee no~~  
~~later than September 20.~~

(7) The Department of State will be requested to develop a policy study reflecting the problems and limitations involving other friendly countries which must be considered in any proposal for a major change in multilateral controls. This study should be made available to the Executive Committee by September 1.

(8) As its review progresses the Executive Committee will make such other assignments to the Working Groups or to other appropriate groups as circumstances require.

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